



**Lexington-Fayette Urban County Government
DEPARTMENT OF ENVIRONMENTAL QUALITY & PUBLIC WORKS**

**The Stormwater Quality Projects Incentive Grant Program
APPLICATION PACKET FOR CLASS B INFRASTRUCTURE GRANTS
Division of Water Quality – Document #INC.2015I.1**

GRANT FISCAL YEAR: 2015
APPLICATION DEADLINE: FRIDAY, AUGUST 1, 2014

The Stormwater Quality Projects Incentive Grant Program has been established to assist property owners, businesses, and organizations in the implementation of projects that serve to improve water quality through innovation and education throughout Fayette County. The Incentive Grant Program is funded by the Lexington-Fayette Urban County Government (LFUCG) Water Quality Management Fee (WQMF) and administered by the Division of Water Quality (DWQ). LFUCG Code of Ordinances Chapter 16, Article XIV (Ord. 73-2009) contains the enabling legislation that supports the guidance contained in this application packet.

The main goal of the Incentive Grant Program is the improvement of water quality in Fayette County. To accomplish this goal, the program will provide financial assistance for projects that meet the following objectives:

- Improve water quality in our impaired streams through pollutant reduction or other means;
- Address stormwater concerns on existing, developing, or re-developing parcels;
- Reduce stormwater runoff and flooding; or
- Educate and involve the public on these issues.

Grants are awarded through a competitive grant application process. Each application will be reviewed by the LFUCG Division of Water Quality (DWQ) for eligibility and merit according to the procedures set forth in the guidelines outlined in this packet. The Water Quality Fees Board shall review recommendations by the Director of DWQ and make a final determination on all grant applications. All approved projects will receive funding by means of an executed Grant Award Agreement between LFUCG and the Applicant laying out the approved project elements, eligible expenses, and terms of grant implementation.

Class B Incentive Grants are open to Applicants who are WQMF fee payers on properties designated as "Class B". A "Class B" property is defined as:

*"all non-farm commercial, industrial, institutional and multi-family
(excluding duplexes) parcels within Fayette County."*

This packet covers the information needed to complete the application, and includes the following sections:

- a) Eligibility Requirements
- b) Project Guidelines
- c) Project Funding
- d) Project Reporting
- e) Project Selection and Grant Award Process
- f) Application Process
- g) Application Form

Please direct all questions to the Incentive Grant Program Administrator – Christopher Dent, P.E., LFUCG Division of Water Quality by phone at 859-425-2521, by email at cdent@lexingtonky.gov, or in writing to 125 Lisle Industrial Avenue, Suite 180, Lexington, KY 40511.

ELIGIBILITY REQUIREMENTS

What types of projects are eligible for Class B funding under the Incentive Grant Program?

There are two general types of projects eligible for this program:

- Education Projects – Projects designed to provide and promote public or private education and involvement related to the importance of stormwater quality in Fayette County.
- Infrastructure Projects – Projects that install equipment or construct infrastructure (e.g. Best Management Practices-BMPs) that serve to reduce pollutant discharges to LFUCG's stormwater conveyance system and the Waters of the Commonwealth, and/or reduce peak offsite stormwater discharge rates and/or runoff volumes in excess of minimum requirements specified in LFUCG's Engineering Manuals.

This application packet is for Class B Infrastructure Grants only. Please see the ***Application Packet for Class B Education Projects, Document #INC.2015E.1*** for more information on the education grants. Information is available on the website: www.lexingtonky.gov/incentives.

Detail on specific project types is provided in the following Project Guidelines section. Proposals for other innovative projects not listed in this packet that meet the goals and objectives of the program are encouraged and will be considered for eligibility on a case-by-case basis. Contact the Incentive Grant Program Administrator for more information.

Who can apply for funding?

- Owners of a "Class B" parcel;
- Tenants of a "Class B" parcel who pay the WQMF;
- Groups legally incorporated organized as a corporation, governmental entity (excluding LFUCG, but not excluding outside agencies which receive LFUCG funding), association, non-profit, etc. and which are designated "Class B" fee payers of the Water Quality Management Fee.

Other eligibility requirements to be aware of:

- If a project involves installation of permanent infrastructure or equipment on a "Class B" parcel not owned by the Applicant, then the property owner must also sign the Application Form.
- The Applicant must be in full compliance with all applicable provisions of the LFUCG Code of Ordinances Chapter 5 – Buildings and Building Regulations, Chapter 7 – Finance and Taxation, Chapter 12 – Housing, and Chapter 16 – Sewage, Garbage, Refuse, and Weeds, or in compliance with Kentucky Department of Housing Buildings and Construction rules and requirements as is appropriate for those state institutions, parcels or buildings which are subject to state regulations and oversight as opposed to local ordinances and regulations prior to qualifying for grant award. Significant non-

compliance prior to or after grant award may negatively impact the Applicant's present or future eligibility.

- For a Class B Infrastructure Grant, the Project Team must include a design consulting firm, and shall include either a Registered Landscape Architect and/or Professional Engineer licensed to perform such work in accordance with the Kentucky Revised Statutes (KRS). Failure to include a design firm on the Project Team meeting these qualifications shall render the application ineligible for consideration.
- All projects must be located within Fayette County.
- Incentive Grants are not-to-exceed amounts. Amendment requests to an ongoing Incentive Grant will not be considered by the Water Quality Fees Board absent extraordinary circumstances.
- Project elements that conflict or overlap with any known ongoing or scheduled project are not eligible.
- For the Fiscal Year 2015 Incentive Grant program, ultrasonic algae control systems for ponds may be an eligible expense. Viability of these systems depends on the depth and surface area of the pond. For applicability of these projects feel free to contact the Grant Administrator.

PROJECT GUIDELINES

All proposed infrastructure projects must also meet the following general guidelines:

- Grant monies will be distributed via a reimbursement format in accordance with terms set forth in the Grant Award Agreement.
- Any expenses not fully documented may be denied for reimbursement or cost share. LFUCG will conduct periodic audits of grant expenses to help ensure grant funds are being utilized appropriately and as reported.
- A project plan and budget for all expenses shall be prepared and included in the Application. If selected for a grant, a more detailed budget and plan may be required for the Grant Award Agreement.
- All projects must be completed in accordance with applicable local, state, and federal law, and all required permits, agreements, permissions, approvals, etc. must be obtained by the Applicant or their representatives.
- All projects must be completed per the plan outlined in the Grant Award Agreement. The LFUCG Grant Manager must approve, in writing, proposed changes to the plan once a grant is awarded. Unapproved changes that alter the project's purpose or affect may disqualify it from receiving the grant reimbursement.
- All projects must be completed within the time frame specified in the Grant Award Agreement. The LFUCG Grant Manager or Program Administrator must approve, in writing, any extensions. Typical project timelines for infrastructure projects are 12 to 24 months.

- The Applicant and its representatives are solely responsible to ensure all necessary permits, permissions, approvals, encroachment agreements, etc. are obtained prior to work starting. All grant funded projects must be completed in accordance with applicable local, state, and federal law. Permit requirements include but are not limited to the following:
 - Any project that includes movement of soil and/or land disturbance will be required to obtain a Land Disturbance Permit from LFUCG's Division of Engineering and undergo erosion and sediment control inspections administered by the Division of Water Quality.
 - Any Applicant that proposes a project that includes grading or work within a stream or drainage channel shall be required to submit an application to the Kentucky Division of Water for a "Permit to Construct Across or Along a Stream and/or Water Quality Certification" and obtain any approvals needed prior to start of any disturbance. (Note that other permits, such as a 404 Permit from the U.S. Corps of Engineers, FEMA Floodplain Letters of Map Revision, etc. may also apply.)
 - Any Applicant that proposes a project that requires alteration of existing public infrastructure or installation of any permanent infrastructure within the street right-of-way or any utility easement (public or private) shall be required to obtain all necessary permits, approvals and/or encroachment agreements prior to start of work. Contact Dan Kiser, Division of Engineering for more information (see box below).
- The project can not include permanent changes within the street right-of-way or on properties not owned and/or controlled by the Applicant without prior express written approval of the property owner.

If your project involves work on LFUCG owned property or easement, please contact the agency affected prior to submitting your grant application form:

- Parks and Recreation, Michelle Kosieniak – michello@lexingtonky.gov
- Planning (greenways, green space), Keith Lovan – klovan@lexingtonky.gov
- Environmental Policy (street trees), Tim Queary – tqueary@lexingtonky.gov
- Engineering (right-of-way), Dan Kiser – dkiser2@lexingtonky.gov
- Sanitary Sewers, Rod Chervus – rchervus@lexingtonky.gov
- Stormwater, Greg Lubeck – glubeck@lexingtonky.gov

- Any project proposing tree planting shall follow the LFUCG Planting Manual under the advisement of LFUCG Urban Forester. (www.lexingtonky.gov/forestry)
- All grant funded projects must be completed per the plan outlined in the Grant Award Agreement. DWQ must approve, in writing, proposed changes to the plan once a grant is awarded. Unapproved changes which alter the project's purpose or effect may disqualify it from receiving the grant reimbursement.
- Due to the significant public investment involved in infrastructure projects of this type, prior to receipt of the grant monies, the owner of the property shall agree to sign the *LFUCG Agreement to Maintain Stormwater Control Facilities Funded by an LFUCG*

Stormwater Quality Projects Class B Incentive Grant. This agreement contractually obligates the present or future owner to reimburse LFUCG, following IRS depreciation guidelines, for the remaining value of any grant-funded BMP removed from service. The Maintenance Agreement will be recorded at the Fayette County Clerk's office and is the obligation of the present and future property owners. A copy of this agreement is attached to this application packet for reference.

- If a bidding process is not used to obtain a construction contractor, be aware that the Engineer's Construction Estimate may be reviewed by a third-party engineer hired by LFUCG for reasonableness compared to other recent local bids on similar projects.
- The project must be designed primarily for the management of stormwater. Multi-purpose projects which incorporate components of water quality control, water quantity control, and/or education will be scored accordingly.
- BMPs proposed on new development or redevelopment sites that are required to meet current LFUCG requirements shall not be included in the grant-funded portion of the project. Additional BMPs which exceed these requirements will be considered. If the Applicant is proposing to upgrade a new (not-yet-built) development project beyond current standard (e.g. new parking lot to be built with pervious pavement instead of asphalt), a cost estimate showing the original design versus proposed upgrade design should be included with the grant application to differentiate the "upgrade cost" eligible for grant monies.
- BMPs currently listed in the *LFUCG Stormwater Manual* (available online at www.lexingtonky.gov/engineering) are automatically eligible for grant program consideration. These include:
 - i.) Bioretention Systems (*Section 10.3*)
 - ii.) Infiltration Systems (*Section 10.4*)
 - iii.) Sand and Organic Filters (*Section 10.5*)
 - iv.) Prefabricated Treatment Devices (*Section 10.6*)
 - v.) Detention Ponds (*Section 10.7*) (*Water Quantity Control only*)
 - vi.) Extended Detention Ponds (*Section 10.8*)
 - vii.) Wet Ponds (*Section 10.9*)
 - viii.) Constructed Wetlands (*Section 10.10*)
- Use of other Green Infrastructure (e.g. Permeable Pavement, Vegetated Roofs, etc.) and Alternative BMPs is encouraged. Applicants may wish to refer to the following for assistance (all available on the web):
 - *LFUCG – Stormwater Management Low Impact Development Guidelines for New Development and Redevelopment*
 - *EPA National Menu of Stormwater Management Best Management Practices*
 - *Federal Green Construction Guide for Specifiers, Whole Building Design Guide, National Institute of Building Sciences*
 - *International Stormwater BMP Database*

- o *Stormwater Management Handbook, Implementing Green Infrastructure in Northern Kentucky Communities*
 - o *Rainwater and Land Development, Ohio's Standards for Stormwater Management Land Development and Urban Stream Protection, Ohio Department of Natural Resources*
 - o *Best Management Practices (BMP) Manual for Erosion Preventions and Sediment Control (EPSC) and Post-Constructions, Kentucky Stormwater Consortium, City of Bowling Green, Kentucky*
- If the project includes Green Infrastructure or Alternate BMPs, the Applicant may be required to submit a report that outlines the environmental benefits to be obtained through the alternate design being proposed, the consistency of the alternate design with low impact development guidance endorsed by the EPA, and an analysis and justification of the merits of the proposal.
- A BMP will be considered to be both a water quantity and a water quality BMP if it is of one of the following types:
 - i.) One of the following approved BMPs in the *LFUCG Stormwater Manual*:
 - o Extended Detention Ponds (*Section 10.8*)
 - o Wet Ponds (*Section 10.9*)
 - o Constructed Wetlands (*Section 10.10*)
 - ii.) A BMP meeting the design criteria for both water quality and quantity control as listed in Table 2-3 in the *LFUCG Stormwater Management Low Impact Development Guidelines for New Development and Redevelopment*.

Other stipulations do apply. Please refer to the Sample Class B Infrastructure Grant Award Agreement included in this packet for more details.

PROJECT FUNDING

Three types of Class B Infrastructure Incentive Grants are available:

1. **Feasibility Only Grant:** To assist with long-range planning projects (i.e. no immediate plans for design or construction). The maximum grant award is **\$50,000**. The Applicant will be required to contribute at least **10%** of total project costs (e.g. \$5,555 cost share on a \$50,000 grant for a total project cost of \$55,555) either in cash expenditure or in-kind services. (Note: Approval of a Feasibility Only Grant does not guarantee subsequent selection of any future grant application related to the project.)
2. **Design and Construction Grant:** This is the most common grant type. A **10%** cost share is required for costs associated with the Design Phase of the project either in cash expenditure or in-kind services.¹ No cost share is required for the Construction Phase costs. The maximum grant award is **\$350,000**.

¹ To provide continuity with changes from the FY2012 program, any projects selected for a Design and Construction grant that are a direct result of preliminary work performed through an LFUCG FY2012 Feasibility Only Infrastructure Grant that required a 25% cost share are exempted from the 10% design cost share requirement.

3. **Construction Only Grant:** This type of grant is used when design is already completed or is being paid for by others. No cost share is required. The maximum grant award is **\$350,000**.

What types of expenses are eligible for grant reimbursement?

- Eligible expenses must be project-specific and necessary for correct and complete implementation of the water quality and/or stormwater related components of a project, in the categories of (a) Equipment and Supplies, (b) Consulting Fees, (c) Construction Costs, (d) Personnel, and (e) Other Project Specific Costs.
- Project specific personnel costs (e.g. grant management) will typically be eligible. Adequate documentation of all billed hours, including copies of employee timesheets, hourly payroll rate, and description of work done, will be required prior to acceptance of these types of costs.
- All approved expenses will be mutually agreed upon and detailed in the project budget in the Grant Award Agreement prior to start of the project.
- Any expenses not fully documented may be denied for reimbursement. LFUCG may conduct periodic audits of grant expenses to help ensure grant funds are being utilized appropriately and as reported.

What types of items are eligible to be counted as cost sharing funds?

Eligible cost sharing funds must be project-specific, and may be direct cash expenditures or in-kind costs. Possible cost sharing funds include:

- Payments for any eligible grant reimbursement expense listed above.
- Other grant sources (non-LFUCG).
- Mileage based upon the current Internal Revenue Service rate per mile.
- Donated volunteer hours, valued at the current Federal Minimum Wage Rate.
- Donated personnel hours of employees within the grant recipient's organization at their current payroll rate.
- Donated consulting fees.
- Donated supplies.
- Donated professional service hours, valued at the Median Hourly Wage for the expertise provided – from the U.S. Department of Labor, Bureau of Labor Statistics, State Occupational Employment and Wage Estimates for Kentucky (current website: http://www.bls.gov/oes/current/oes_ky.htm.)

What types of expenses are not eligible (for either grant reimbursement and/or cost sharing)?

- Costs associated with work paid for prior to grant award.
- Costs associated for work already required to meet federal, state, or local requirements. For example, a water quality treatment device required by LFUCG Engineering Manuals for a new development is not eligible for funds. However, project components which serve to exceed current design standards will be considered.
- Land acquisition costs.

Other restrictions may apply. If you have a question about eligibility of expenses, please contact the Incentive Grant Program Administrator. All expenses will be mutually agreed upon and detailed in the project budget in the Grant Award Agreement prior to start of the project.

PROJECT REPORTING

Grant award disbursements will be distributed after receipt of supporting documentation. LFUCG will provide the forms and report formats.

1. **Quarterly Reporting:** At a minimum, quarterly reporting will be required and include:
 - a. An invoice requesting grant reimbursement for costs incurred during the prior period or to be incurred within 30 days of the invoice.
 - b. A project status report documenting:
 - Work completed during the prior reimbursement period, including hardcopy or electronic copies of all materials developed and/or used (e.g. calculations, layouts, design plans, etc.)
 - Class rosters or sign-in sheets documenting the number of attendees at events held and survey forms completed by the attendees evaluating the content of the event;
 - Full accounting of grant-related costs incurred during the prior period, including payroll documentation, invoices, purchase orders, or receipts showing vendor, date, amount, and items purchased or ordered;
 - Documentation of all cost share related items (required for grants that include a Feasibility Phase and/or Design Phase):
 - For cash expenditures or donated supplies, this shall include receipts, showing vendor paid, date, amount, and items purchased;
 - For volunteer hours, this shall include sign-in sheets describing the event with signatures, name, address, time in, time out, for each participant. Hours worked by participants under the age of 12 would generally not be counted toward the cost share;
 - For donated professional or consulting fees, this shall include payroll listings, a Donated Professional Hours Form signed by the participant, or an official invoice for services provided;
 - For mileage, this shall include a mileage log with driver name, type of vehicle, location to and from, date, and # of miles driven per trip.
2. **Review Deliverables:** Deliverables provided for LFUCG review and acceptance shall be required at various phases throughout the grant. See the *Sample Grant Award Agreement* for more detail. Each grant phase includes the following activities and deliverables at a minimum:

Feasibility Phase: Perform a Feasibility Analysis. Deliverables to include a report evaluating the use of the potential BMP(s) on the proposed site, a conceptual design concept, a detailed cost estimate for design, and a conceptual cost estimate for construction. Also, a letter certifying all BMPs proposed for design as viable

and feasible for the specific site and application, signed and sealed by either a registered landscape architect or professional engineer licensed in the Commonwealth of Kentucky, shall be required at the end of the Feasibility Phase.

Design Phase: Infrastructure layout and design shall be performed by professionals licensed to perform their individual tasks in accordance with the applicable KRS provisions. Deliverables to include final design calculations, final construction plans, specifications and bidding documents, engineer's construction estimate with quantities, permit and approval submittals, and Inspection, Operation, and Maintenance Plan.

Construction Phase: Construction of the infrastructure facilities as designed. Deliverables to include summary of final construction costs and quantities, copies of all permits etc. obtained, Record Drawings, and photo documentation.

3. **Project Final Report:** Within 30 days of the completion of all project elements and invoicing, a Project Final Report will be required to be submitted summarizing all project elements completed, accounting, etc. A retainer of 10% of the grant monies will be held for reimbursement until receipt and acceptance of the Project Final Report by DWQ.

PROJECT SELECTION AND GRANT AWARD PROCESS

This grant program is competitive. Applicants or applications not meeting the eligibility requirements will not be considered. Projects will be ranked and selected for funding through a review process administered by the LFUCG Division of Water Quality and the LFUCG Water Quality Fees Board. As one part of this review, proposed projects will be evaluated using a scoring system based upon the following criteria:

- 60% Project Impact
- 20% Project Implementation
- 20% Project Sustainability

More information is available on scoring at www.lexingtonky.gov/incentives.

The Director of the Division of Water Quality will make recommendations for funding to the Water Quality Fees Board. The Board will review the grant applications, supporting information (including project scores and the Director's recommendations), and approve or deny applications for funding consistent with the program's eligibility criteria. The grant applicants, projects, and the Director's recommendations will be listed in the agenda prior to the Water Quality Fees Board Meeting. Successful applicants must sign a Grant Award Agreement which is then submitted to LFUCG Urban County Council for ultimate award.

For Fiscal Year (FY) 2015 (July 1, 2014 – June 30, 2015) the expected available budget for Class B Infrastructure Grants is **\$925,000**. This amount has been targeted to two allocation categories as follows:

Feasibility Only projects	→	\$50,000
All Other Infrastructure Projects	→	\$875,000

These funding allocation targets may be modified at the discretion of the Water Quality Fees Board based upon number and type of applications received.

As grant funds are limited, a project may be recommended for partial funding. The Application Form provides an option to split a project into several stand-alone elements for purposes of individual evaluation, if the Applicant so desires.

If selected for a grant, the Applicant will be notified. A Grant Award Agreement laying out the terms of grant implementation will be drafted with mutual input from LFUCG and the Applicant and approved by both parties prior to official award of the grant by the Urban County Council. Award of the selected FY2015 Class B Infrastructure projects is anticipated in February 2015.

APPLICATION PROCESS

To apply for a Fiscal Year 2015 grant, complete the ***Application Form for Class B Infrastructure Grants (#INC.2015I.2)*** and answer all listed questions.

For Fiscal Year 2015, the deadline for receipt of grant applications is Friday, August 1, 2014. Applications postmarked after the deadline will not be considered. Applications may also be hand-delivered to the address given below by 5:00 p.m.

An informational, non-mandatory, **Pre-Submittal Meeting will be held on Friday, July 11, 2014 at 1:00 pm at 125 Lisle Industrial Ave, Suite 180** for potential applicants. The meeting will cover topics related to the grant application process and provide a venue for potential applicants to ask questions of the Incentive Grant Program Administrator.

Use of the Word, fill-in, application form is highly recommended, though not required. If the Adobe version is used, the applicant should answer each question in the same order as the Application Form. Please be sure to read the Application Form carefully and fill it out with as much detail about your proposed project as possible. The Applicant must provide a proposed schedule to include at a minimum start and finish of each project phase. The Applicant must also provide a budget proposal. Include as much detail as possible in the budget proposal, breaking out costs for various project phases and types of expenses. For a Design and Construction Grant, include a detailed estimate for the Design Phase and a conceptual estimate for construction. For a Construction Only Grant, include a detailed estimate for construction.

Names for a Primary Project Contact, Secondary Project Contact, and Design Consulting Firm are required. Email will be the predominant means of communication, so working email addresses for all contacts is strongly encouraged.

The application must be hand signed by the Applicant and/or a duly appointed official with signatory authority with the applying organization and the property owner, if applicable.

Submit six (6) **hard copies** of the application form with attachments by **5:00 p.m. Friday, August 1, 2014** to:

**Christopher Dent, P.E.
LFUCG Division of Water Quality
Incentive Grant Program Administrator
125 Lisle Industrial Avenue, Suite 180
Lexington, KY 40511**

A digital copy of the application form with attachments can be sent to cdent@lexingtonky.gov in addition to the hard copy provided above, but is not required.

Verification of receipt of the application will be provided via email within two (2) weeks. If you do not receive verification, please call the Incentive Grant Program Administrator at 859-425-2521. The Applicant may be requested to provide additional information if a portion of the application is incomplete or unclear. If the additional information is not provided within the time frame requested, the application may be removed from consideration.

APPLICATION FORM

The Application Form is a separate document, #INC.2015I.2 available through the Division of Water Quality (859-425-2521) and on the LFUCG website at www.lexingtonky.gov/incentives in Adobe or Word fill-in format.

--- END OF APPLICATION PACKET FOR CLASS B INFRASTRUCTURE PROJECTS ---